

EXHIBIT 13

CONFIDENTIAL

In accordance with a protective order, the enclosure(s) shall be treated as confidential and shall not be shown to any person other than those persons designated in paragraph 8.2 of the paragraph order.

IN THE UNITED STATES DISTRICT COURT FOR THE
DISTRICT OF WYOMING

CUSTODIA BANK, INC.,)
)
Plaintiff,)
)
v.)
) 1:22-cv-00125-SWS
FEDERAL RESERVE BOARD)
OF GOVERNORS AND)
FEDERAL RESERVE BANK OF)
KANSAS CITY,)
)
Defendants.)
)

* DESIGNATED CONFIDENTIAL *

* SUBJECT TO A PROTECTIVE ORDER *

DEPOSITION OF JEFFREY IMGARTEN, a
Witness, taken on behalf of the Plaintiff before
Peggy E. Corbett, CSR, CCR, RDR, pursuant to
Notice on the 24th day of October, 2023, at the
offices of the Federal Reserve Bank of Kansas
City, 1 Memorial Drive, Kansas City, Missouri
64198.

CONFIDENTIAL

Page 112

1 to in this exchange with Pat Grant is in
2 reference to that standing meeting, that
3 bi-weekly meeting that was established.

4 Q. Who from the Kansas City Fed side
5 typically took place in that standing meeting?

6 A. So it would be generally representatives
7 from our Applications Department, Examinations
8 and Inspections Department, I believe Judith
9 would participate since she oversees the
10 Application Department, and the membership
11 application was being discussed, Tara Humston
12 would participate in those conversations. So I
13 think those are the primary areas covered.

14 Q. So Judith would take part in this
15 standing meeting?

16 A. Yes.

17 Q. Judith Hazen, I'm sorry?

18 A. Yes.

19 Q. And Tara Humston would take part in this
20 standing meeting?

21 A. Yes.

22 Q. During the standing meetings, would they
23 ever discuss the master account applications?

24 A. I don't recall that specifically being
25 discussed. My focus was on stuff related to the

CONFIDENTIAL

Page 113

1 membership application.

2 Q. And so Christi May-Oder was your
3 counterpart for the master account
4 application; is that correct?

5 A. Yes.

6 Q. Who is above Christi May-Oder?

7 A. Judith Hazen.

8 Q. Judith Hazen? And where does Tara
9 Humston fit in?

10 A. She oversees our entire Supervision and
11 Risk Management Division, so she's who Judith
12 reports to.

13 Q. So Christi reports to Judith?

14 A. Yes.

15 Q. Judith reports to Tara?

16 A. Yes.

17 Q. Do you also report to Tara?

18 A. I report to Judith.

19 Q. You report to Judith?

20 A. Yes.

21 Q. Okay. That's helpful. And then just to
22 sort of close out this document, so you don't
23 have a specific recollection of the meeting
24 referred to in this e-mail?

25 A. No, I don't.

CONFIDENTIAL

Page 114

1 (Exhibit 98 was marked by the
2 reporter for identification.)

3 Q. (BY MR. SWENSON) I'm handing you what
4 we're marking as Exhibit 98 this is
5 FRBKC-00016522, and you'll see if we flip to the
6 next page which is 16523, the bottom is that
7 first e-mail to Pat and Scott, right?

8 A. Yes.

9 Q. And then the next one is Pat's response
10 to you, right?

11 A. Yes.

12 MS. CARLETTA: And we're possibly
13 needing to claw this portion back based on the
14 deliberative process privilege.

15 Q. (BY MR. SWENSON) And then we have an
16 e-mail from you on November 27th at 6:30 p.m.; do
17 you see that?

18 A. Yes.

19 Q. Okay, and you've sent this to a bunch of
20 different people at the bank. Generally like
21 which divisions are represented here?

22 A. So Tara Humston, she oversees the entire
23 division, Craig Zahnd, General Counsel, Kara
24 Binboom, Vice-President within Reserve Bank
25 Legal, Nick Billman, Vice-President within

CONFIDENTIAL

Page 220

1 A. Yes.

2 Q. And here, does this mean that you'll be
3 involved in determining account opening
4 eligibility?

5 A. No.

6 Q. What does this mean?

7 A. That would not be my interpretation.
8 That's not a role or a responsibility that I
9 currently have.

10 Q. How would you interpret this?

11 A. I would interpret this to mean that if
12 there's an entity seeking to open an account, and
13 if they are also simultaneously applying for
14 membership, then our department would be engaged.

15 Q. In what capacity would your department
16 be engaged?

17 A. Probably them, CRRM, seeking status of
18 the membership application.

19 Q. But you don't think your department
20 would be involved in determining account opening
21 eligibility?

22 A. No.

23 Q. Would your department be involved in
24 classifying the institution as Tier 1, 2 or 3?

25 A. No.

[illegible]

CONFIDENTIAL

Page 222

[illegible]

CONFIDENTIAL

Page 223

[REDACTED]

6 MS. CARLETTA: It's been an hour,
7 but take your time.

8 (Exhibit 109 was marked by the
9 reporter for identification.)

10 Q. (BY MR. SWENSON) I'm handing you what's
11 been marked as Exhibit 109. Do you see on the
12 first page where it says FRBKC-00014758?

13 A. Yes.

14 Q. And if you'd turn to Page 7 of the
15 document which is FRBKC 00014764, do you see that
16 you signed this?

17 A. Yes.

18 Q. And this is a letter to Custodia,
19 correct?

20 A. Yes.

21 Q. It's addressed to the members of the
22 Board, care of Caitlin Long, correct?

23 A. Yes.

24 Q. And you sent this letter following the
25 membership exam, correct?

CONFIDENTIAL

Page 224

1 A. Yes.

2 Q. The seal at the top, where it says
3 Federal Reserve Bank of Kansas City and then
4 there is the Eagle, is that the seal of the
5 Federal Reserve Bank of Kansas City?

6 A. That's a version of the letterhead that
7 we use on our letters.

8 Q. But that is one of the official
9 letterhead used by the Kansas City Fed?

10 A. It's been used on other correspondence
11 that has been sent by our Reserve Bank, yes.
12 Whatever process it's gone through to vet it and
13 approve it, I don't know. It was provided by
14 Public Affairs at one point.

15 Q. But this is something that commonly
16 appears on your letterhead?

17 A. Yes.

18 Q. All right. Turning to the first
19 paragraph here, the last sentence it says, "As
20 previously communicated the information obtained
21 during the examination and the Reserve Bank's
22 assessment of Custodia's operations, activities
23 and risk profile are also informing the ongoing
24 master account request evaluation process." Do
25 you see that?

CONFIDENTIAL

Page 293

1 supervisory review that the Reserve Bank was
2 conducting, and then I need to read this master
3 account section.

4 Q. Let me know when you're done reading.

5 A. Okay. Okay.

6 Q. Are you finished?

7 A. Yes.

8 Q. Okay. So turning back to this bullet,
9 "Avanti supervisory review, feed into membership
10 and master account applications," this is the
11 Board telling you that Avanti supervisory review
12 should feed into both the membership and the
13 master account applications, correct?

14 A. No, this would be us conveying our
15 supervisory review feeding into the membership
16 and the master account applications.

17 Q. So this is you telling the Board that
18 you intend the supervisory review to feed into
19 membership and master account applications?

20 A. Yes. It's us representing our
21 intentions for the supervisory review.

22 Q. There would be one review for both
23 applications?

24 MS. CARLETTA: Objection, form.

25 A. The review would be used to inform both

CONFIDENTIAL

Page 294

1 applications, to the extent that it's able.

2 MR. SWENSON: No further questions.

3 MS. CARLETTA: Okay, great.

4 EXAMINATION

5 BY MS. CARLETTA:

6 Q. I just have a few follow-up questions
7 for you. All right. Do you know who decided the
8 master account requests?

9 A. Esther George.

10 Q. And when did Esther retire?

11 A. At the end of January of 2023.

12 Q. Do you know if Esther's retirement
13 impacted the timing of the master account
14 decision?

15 A. Yes, I believe it did.

16 Q. Are the requirements for evaluating a
17 master account request different from evaluating
18 a membership application?

19 A. Yes.

20 Q. How so?

21 A. I can't speak to specifics, but I do
22 know that there are factors that we look at
23 within the membership application that are not
24 looked at within the context of a master account
25 request.

CONFIDENTIAL

Page 295

1 A couple that come to mind are the
2 convenience of needs. The permissibility piece
3 would be exclusive to the membership application.
4 Those are the two that come to mind, but there's
5 likely others.

6 I don't know enough about the master
7 account request evaluation criteria to speak to
8 it too exhaustively.

9 Q. Okay. And we talked a lot about policy
10 decisions today. Are those policy decisions that
11 you are referring to specific to the master
12 account application?

13 A. No. The policy issues that I am
14 referring to are specific to the membership
15 application and other applications that flow
16 through our department, such as Section 3, Change
17 in Bank Control Act notice, branch filing, those
18 types of applications, so the policy issues that
19 I referred to were specific to those types of
20 applications that my department oversees.

21 Q. Okay, and just to clear up my sloppy
22 question, those apply to the membership
23 application, correct?

24 A. Yes. The policy issues are specific to
25 the membership applications.

CONFIDENTIAL

Page 296

1 Q. Do you know if they apply to the master
2 account request?

3 A. I do not.

4 Q. Okay. So I believe you testified today
5 that you had regular communications with the
6 Board staff about the membership application; is
7 that right?

8 A. Yes, we did.

9 Q. About how often?

10 A. Bi-weekly I believe would be a good
11 estimate.

12 Q. Did the Board ever try to intervene on
13 the master account request?

14 A. No, they did not.

15 Q. Did the Board ever tell you that a Tier
16 3 institution could not obtain a master account?

17 A. No, that was never communicated.

18 Q. Give me two seconds. I'll just check a
19 couple of things.

20 Okay, one additional thing. You
21 testified that you were part of the FRBKC
22 internal NTMA meetings; is that correct?

23 A. Yes, I did testify to that.

24 Q. When did you start to participate in
25 those meetings?

CONFIDENTIAL

Page 297

1 A. That would be when the membership
2 application was submitted by Custodia.

3 Q. And what were the extent of your
4 communications in those meetings?

5 A. My role was limited to providing updates
6 on the membership application, and answering any
7 questions related to that.

8 Q. Okay. I think that's it.

9 MR. SWENSON: Just a couple of
10 questions. It will be quick.

11 FURTHER EXAMINATION

12 BY MR. SWENSON:

13 Q. How do you know that Esther George
14 decided the master account application?

15 A. Because that's where the decision-making
16 authority lie.

17 Q. So Esther George had the decision-making
18 authority?

19 A. Yes.

20 Q. Who set up the tiers for master
21 accounts?

22 A. The Board issued the guidelines. I
23 don't know what went into the process for
24 determining that.

25 Q. Does Kansas City Fed have the authority